Proposal for Setting up of Aluminium Plants in Orissa

2455. SHRI RAHASBIHARI BARIK: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the proposal to set up some aluminium plants in the State of Orissa arc pending with Government;

(b) if so, the details of those proposals;

(c) whether any such plant is proposed to be set up in the private sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) The manufacture of Aluminium metal and its down stream products has been exempted from the provision of compulsory licencing. The Parties which are interested in setting up new Aluminium Plants have simply to file an Industrial Enterpreneurs' Memorandum (IEM). As regards the Public Sector, there is no proposal to set up any new Aluminium Plant in the Public Sector in Orissa.

(b) Does not arise.

(c) and (d) M/s. Orissa Extrusions Ltd. (for manufacture of Unwrought Aluminium), M/s. Indian Aluminium Co. Ltd. (for manufacture of Aluminium not alloyed), M/s. Hindalco Industries Ltd. (for manufacture of Aluminium) and M/s. Sterlite Industries (I) Ltd (for manufacture of Aluminium Ingots) have filed Industrial Entrepreneurs' Memorandum with the Government.

Downgrading the Ratings of SAIL

2456. SHRIMATI VEENA VERMA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Investment Information and Credit Rating Agency has downgraded the ratings of the Steel Authority of India Ltd.;

(b) if so, how far the ratings in respect of the SAIL have been downgraded since March 1998 quarter-to-quarter; and

(c) the factors and elements contributing to down-grading of ratings?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) The ratings position since March, 1998 in respect of various debt programmes of SAIL is as under:—

Programme	Ratings as on 31.3.98	Change in Ratings		
		Qtr. I	Qtr. II	Qtr. III
Bond Issue	LAA—	No No change	LA	No change
Fixed Deposit	MAA+	No No change	MA+	No change
Short Term Deposit	A1+	No change	Al	No change

The revised ratings for Bond Issue and Fixed Deposit Programmes indicate 'Adequate Safety'. The revised rating for Short Term Deposit Programme indicates 'Highest Safety'.

(c) The Rating Agency has attributed the following factors for down-gradation :—

(i) The downgrade takes into account significant decline in profitability due to continued pressure on realisation.

(ii) Sluggish domestic demand coupled with additional offering from new entrants has kept realisations weak.

(iii) SAIL has not been able to pass on the accumulated input cost increases of the previous two years and the current year.